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Oilseeds and Products Annual

Philippine Oilseeds Situation and Outlook

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Report Highlights:
The Philippines was the 3rd largest market for U.S. soybean meal (SBM) and the world's largest coconut oil (CNO) exporter in both 2010 and 2011. An expanding livestock sector, rapidly growing economy and an appreciating currency drove demand for SBM to approximately 1.7 million tons in 2011, and 2012 levels will likely reach 1.9 million tons. However, when SBM prices spike, some farmers use a combination of copra meal and vitamins as a substitute. Copra meal production surged in 2010 to 920,000 tons due to record level copra output. It then fell to 770,000 tons in 2011, and is expected to remain at this level in 2012, as coconut palms take a 'biological rest' after three consecutive years of heavy nut-bearing. Accordingly, CNO production and exports declined to roughly 1.47 and 0.9 million tons, respectively, in 2011, and will likely remain at this level in 2012.

Executive Summary:

Philippine coconut production set a new record in 2010 but then declined by almost 20 percent to 2.3 million tons in 2011 and is expected to remain at this level in 2012 as coconut palms take a ‘biological rest’ after three (3) consecutive years of heavy nut-bearing from 2008 to 2010. As a result, copra imports increased by 32 percent up to 100,000 tons in 2011, and will remain at this level in 2012. Philippine soybean production is insignificant and the small amount of imports is purchased by one (1) crusher.

Increasing feed demand by the expanding domestic livestock, dairy, poultry and aquaculture industries, and the strengthening Philippine Peso are expected to result in higher SBM imports through 2012. U.S. SBM exports to the Philippines, which surpassed 620,000 tons in 2011, are estimated to reach 700,000 tons in 2012. Historically high SBM prices, however, may cause some operations to shift away from SBM to copra meal and vitamis, according to industry sources. Copra meal exports are expected to decline in 2011 and stay at this level in 2012 reflecting the forecasted decline in copra output.

Local soybean oil (SBO) production and trade are insignificant due to the local preference for CNO and palm oil. Coconut oil (CNO) is the dominant edible oil consumed. According to industry sources, edible oil prices started to increase the second semester of 2010 due to increased demand by China and India. CNO and palm kernel oil prices, in particular, increased more steeply on the news that local copra production would decline in 2011. Additional price pressure came from increasing demand from the biofuel industry. Coconut methyl ester (CME) derived from CNO is the biodiesel source used in the Philippines. CNO exports in 2011 declined dramatically (35 %) due to reduced copra production and increasing local demand. Exports in 2012 are expected to remain at 2011 levels as no dramatic change in copra output and crush is expected.

Commodities:

Oilseed, Copra

Oilseed, Soybean

Production:

Coconut (copra) is the only significant oilseed produced in the Philippines. Despite the El Nino weather disturbance in early 2010, copra production during the same year reached record-levels, according to industry estimates. 2010 was the 3rd consecutive year of very good copra output and coconut production in 2010 was raised as a result. Statistics on “area planted”, “area harvested” and “number of coconut trees” through 2012 were adjusted higher due to strong prices and aggressive replanting efforts by the Philippine Department of Agriculture (DA).

Copra production in 2011 declined to 2.3 million tons from the previous year’s level of 2.8 million tons as effects of the El Nino drought were more pronounced. In addition, coconut palms are likely now taking a ‘biological rest’ period to recover from the stress brought about by three successive years of heavy nut-bearing, according to industry experts. Hence, downward adjustments were made to production statistics in 2011 for a considerable decline to 2.3 million tons. This reduced level of production is expected to continue in 2012.

Soybean production is expected to remain insignificant. Aware of its important role in the feed and food industry, the Philippine DA is studying the feasibility of commercial soybean production in the Philippines (refer to OILSEEDS, Policy).

Consumption:

Copra is the dried white flesh of the coconut that is then crushed to extract CNO. Copra meal and glycerin are by-products in the CNO extraction process. Copra crush in the Philippines mirrors local coconut production. Copra crush in MY2009/10 (2010) was considerably raised due to unexpectedly high copra production. Spoilage losses of copra occurred in 2010 as a result of heavy flooding in the main island of Luzon. Consumption in the form of spoilage is expected through 2012 to account for climate change-related losses.

Despite record production in 2010, copra prices were very volatile in 2010 and 2011. Annual average local copra prices were at P29.88 ($0.69) per kilo in 2010, and increased 61 percent to an average annual price of P48.03 ($1.11) per kilo in 2011. Copra prices in 2011 peaked in April at P60.51 ($1.40) per kilo.

Copra crush in 2012 is forecast to remain at the depressed 2011 level of 2.4 million tons as a result of the drop in coconut production.   No significant change in copra consumption is expected in 2012.

There currently is only one soybean crusher in the country that imports a small amount of soybeans each year. The small amount of locally-grown soybeans is mainly used for food purposes. There is a small but growing feed demand for whole beans (full-fat soya) from the U.S. that the trade expects will continue through at least 2012.

Trade:

Following are copra import statistics for 2008-2010 based on Global Trade Atlas (GTA) data. Copra imports in 2010 in the PSD Table were adjusted accordingly.   Papua New Guinea remains the dominant source of Philippine copra imports.

Philippines Import Statistics Commodity: 1203, Copra				
Annual Series: 2008 - 2010				
		Quantity		
Partner Country	Unit	2008	2009	2010
World	T	96044	68764	78137
Australia	T	5167	1572	7399
Indonesia	T	9107	19997	24086
Japan	T	4	0	0
Kiribati	T	1550	0	0
Mauritius	T	1604	0	0
Papua New Guinea	T	35269	34702	30003
Solomon Islands	T	28795	9080	10957
Vanuatu	T	14549	3413	5693

Source: Global Trade Atlas/Philippine Customs Statistics

Copra exports are expected to remain insignificant through 2012.

Soybean imports for 2008-2010 are insignificant and provided in the following table. Imports for 2010 in the PSD Table were adjusted based on the GTA data. Bean imports from the U.S. dominated the market with a 39 percent share. Beans from China, while very small in 2009, increased significantly in 2010. The increase in soybean imports from Singapore and Vietnam in 2010 is likely the result of the duty-free import privilege provided under the ASEAN Free Trade Agreement (see Oilseeds, POLICY).

Philippines Import Statistics Commodity: Soybeans, Group 57 (2007)				
Annual Series: 2008 - 2010				
		Quantity		
Partner Country	Unit	2008	2009	2010
World	T	41136	34806	111116
Canada	T	8307	6764	9552
China	T	1380	1774	13521
Singapore	T	1376	2531	29955
United States	T	22412	23069	42768
Others	T	7661	668	15320

Source: Global Trade Atlas/Philippine Customs Statistics

Overall soybean imports in 2011 declined from the previous year's level due to high global bean prices, according to trade contacts. Imports may increase in 2012 as prices stabilize and demand recovers. Imports in 2012, however, are expected to be less than the 2010 level.

As in most years, there were no Philippine soybean exports in 2010 and 2011.

Stocks:

Oilseed inventories are basically on-farm and/or private stocks. Copra stocks declined marginally in 2011, and are expected to decline slightly further in 2012 due to the expected reduction in copra output.

Soybean stocks are expected to decrease through 2012 due to weak demand.

Policy:

The DA has announced a soybean development program for the period 2010-2014, i.e., "Building Sustainable Soybean Industry in the Philippines" although it is still in its early stages. The DA conducted seed-testing in 2011 for possible distribution to farmers. Post continues to monitor events along this line but believes commercial soybean propagation will be difficult to achieve in the near future (1-3 years) given cultural and extension constraints.

As mentioned in the previous annual report, the current MFN duties were set to expire by end-2010. Pending the approval and issuance of an updated tariff structure for the period 2011-2015, however, the following 2008-2010 duties are carried over and still apply.

Copra imports (HS Code 12.03) have a 10 percent tariff while soybeans (HS Code 12.01) carry a one (1) percent duty under the Most Favored Nation (MFN) tariff scheme for the period 2008-2010. Copra and soybean imports originating from other ASEAN countries are duty-free (starting January 1, 2010) under the Common Effective Preferential Tariff CEPT scheme for the AFTA. The lower CEPT duties of the AFTA were implemented by Executive Order no. 850 signed by then President Gloria Macapagal-Arroyo on December 2009.

Production, Supply and Demand Data Statistics:

Oilseed, Copra Philippines	2009/2010	2010/2011	2011/2012
	Market Year Begin: Oct 2009	Market Year Begin: Oct 2010	Market Year Begin: Oct 2011

	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	3,150	3,200	0	3,300	0	3,400
Area Harvested	2,900	2,950	2,900	3,050	2,900	3,150
Trees	280,000	290,000	280,000	300,000	280,000	320,000
Beginning Stocks	111	111	129	129	124	122
Production	2,520	2,800	2,600	2,300	2,600	2,300
MY Imports	78	78	103	103	103	103
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	2,709	2,989	2,832	2,532	2,827	2,525
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Crush	2,580	2,850	2,708	2,400	2,705	2,400
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	0	10	0	10	0	10
Total Dom. Cons.	2,580	2,860	2,708	2,410	2,705	2,410
Ending Stocks	129	129	124	122	122	115
Total Distribution	2,709	2,989	2,832	2,532	2,827	2,525
1000 HA, 1000 TREES, 1000 MT						

Oilseed, Soybean Philippines	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	1	1	1	1	1	1
Beginning Stocks	5	5	10	10	7	7
Production	1	1	1	1	1	1
MY Imports	111	111	80	80	95	95
MY Imp. from U.S.	35	43	35	35	35	35
MY Imp. from EU	0	0	0	0	0	0
Total Supply	117	117	91	91	103	103
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Crush	100	100	80	80	95	95
Food Use Dom. Cons.	5	5	3	3	3	3
Feed Waste Dom. Cons.	2	2	1	1	0	0
Total Dom. Cons.	107	107	84	84	98	98
Ending Stocks	10	10	7	7	5	5
Total Distribution	117	117	91	91	103	103
1000 HA, 1000 MT						

Commodities:

Meal, Copra

Meal, Soybean

Production:

Upward adjustments were made to copra meal production in 2010 as a result of increased copra production and crush. Copra meal output in 2011 was pared down, and its decline from the previous year's level was steeper than expected due to the significant drop in copra output and crush. Copra meal production in 2012 will likely stay at 2011 levels as coconut palms continue their biological 'rest' period.

Though bean imports nearly doubled in 2010, with just one local soybean crush facility, local SBM production remains insignificant. SBM production declined in 2011 due to increasing production costs, but is forecast to rebound slightly in 2012 as overall prices stabilize.

Consumption:

Philippine economic growth in 2010 reached 7.3 percent, far exceeding the official 5-6 percent target for the period, and the highest growth rate in more than 30 years. Average inflation was 3.8 percent, well within the Philippine Government's (GPH) target of 3.5-5.5 percent and slightly higher than the 3.2 percent average inflation in 2009. GPH economic planners had initially hoped to sustain GDP expansion at 7-8 percent through 2016 via investments under the government's private–public partnership program, but subsequently reduced the target to 4.5 to 5.5 percent this year due to the deteriorating global economy.

For 2011, Philippine GDP slowed to 3.7 percent in 2011, below the revised 4.5 to 5.5 percent GPH forecast, according to the National Statistical Coordination Board. Agriculture, fisheries and forestry expanded by 2.6 percent in 2011, up from the 0.2 percent contraction in 2010. Industry grew by 1.9 percent in 2011 from 11.6 percent in 2010 while the services sector expanded by 5 percent from the 7.2 percent growth in 2010. The slowdown in 2011 was attributed by economists to under spending by the GPH in infrastructure, the weak performance of the farm sector, and the crisis in the U.S. and Europe which affected export performance. Government expenditure shrank by 0.7 percent while exports declined by 3.8 percent in 2011. For 2012, GPH economists project GDP growth to accelerate to 5-6 percent

Inflation in 2011 averaged at 4.8 percent, well within the government's target range of between 3 and 5 percent for the full year, according to the National Economic and Development Authority. Private analysts see Philippine inflation improving to a 4 percent average for 2012.

The GPH reported the Philippine population was 95 million in 2010 and that it is expanding by an estimated two (2) million people annually. Economists estimate food accounts for a considerable share of the local price basket, and that rice accounts for 20-25 percent of overall food expenditures for lower income consumers. According to the National Statistical Coordinating Board, roughly a third of the population is "poor" or "not able to afford basic food and non-food needs". This has forced the GPH to implement a food-program targeting the poor (refer to MEALS, Policy).

At the same time there is a growing middle and upper class whose primary focus is on quality. Eating out for this market segment is gaining popularity as indicated by the flourishing food retail industry. Analysts estimate that as incomes continue to rise, the millions of Filipinos in this category are likely to consume less grain and more protein.

The positive economic prospects coupled with the food demand (particularly for protein sources) of the rapidly growing population bode well for increased animal feed demand through 2012. Feed demand would have been higher had it not been for increasing prices of feed ingredients and overall production costs, according to industry contacts. The same source reports that some small backyard hog farmers are having a hard time operating as a result of increasing production costs. The domestic hog-raising industry account for an estimated 65 percent of the country's feed requirements, followed by poultry with 25 percent and the balance divided by the local fishery sector and other animal farms.

In 2010, livestock production increased 1.5 percent with the hog sector posting a 1.1 percent gain. During the same period, poultry output was up by 3.7 percent, while production increased 2.7 percent in aquaculture compared to the 2009 level. For 2011, hog and poultry production were 2.2 and 4.3 percent higher, respectively, compared to the previous year's level. Aquaculture gained 2.4 percent in 2011. Growth of the overall farm sector in 2011 was 2.3 percent, up from the 0.3 percent contraction in 2010.

Copra meal is mainly used as a binder in animal feed rations, and is not a protein substitute of SBM. It is, however, cheaper and is mixed with other ingredients. Small backyard livestock and poultry raisers likely utilized more copra meal and partially shifted away from SBM use in 2011 as a result of increasing prices of feed ingredients. The increase in copra meal consumption through 2012, however, will likely be more due to wastage as a result of calamity-related losses.

For SBM, demand is expected to continue growing through 2012 although downward revisions were made to consumption estimates during the period. SBM feed demand was modestly reduced in 2010 and 2011 due to high bean prices and the slowing economy. While some small backyard raisers are reportedly struggling with high feed prices, large commercial farms are benefiting from firm meat demand. These farms are not likely to shift away from SBM use, convinced of its superiority as an animal feed protein-source. In addition, the 2011 declaration by the Office International des Epizooties (OIE) that the Philippines is free from Foot-and-Mouth Disease (FMD) is expected to enhance higher feed demand by these commercial farms. SBM consumption will likely surge in 2012 as a result of increasing feed demand.

Rising feed costs makes increased sales of distillers dried grains (DDGS) and other cheaper feed alternatives attractive. DDGS use in animal feeds has been increasing modestly in recent years.

Trade:

There were no copra meal imports on record in 2011 and no imports are predicted in 2012.

Following are copra meal exports through 2010 based on GTA data. Noteworthy is the near ten-fold increase in copra meal exports to China.

Philippines Export Statistics

Commodity: 230650, Coconut Or Copra Oilcake And Other Solid Residues Resulting From The Extraction Of Coconut Or Copra Oil, Whether Or Not Ground Or In Pellets				
Annual Series: 2008 - 2010				
Partner Country	Unit	Quantity		
		2008	2009	2010
World	T	438614	411487	720624
Australia	T	151	1137	2745
Belgium	T	0	0	3
China	T	295	16198	157761
Hong Kong	T	1023	265	500
India	T	0	0	8017
Indonesia	T	3150	0	0
Japan	T	21879	16781	17668
Korea South	T	309994	242739	383509
Malaysia	T	20	0	0
Netherlands	T	0	0	33
New Zealand	T	3263	0	1121
Pakistan	T	0	7000	5540
Singapore	T	9800	1317	152
Taiwan	T	15904	11862	15714
United States	T	17	3017	236
Vietnam	T	73118	111170	127626

Source: Global Trade Atlas/Philippine Customs Statistics

Industry predicted copra meal exports in 2011 to decline by roughly 40 percent from the previous year's level. Post predicted the decrease to be even greater (53 percent) on an October to September basis in 2011. Copra meal exports in 2012 are expected to stay at the 2011 level as a result of flat copra crush during the year.

SBM imports for 2008-2011 are provided in the following table, and are based on GTA exporter data. SBM exports in 2010 were insignificant, and are expected to remain as such through 2012.

Reporting Countries Export Statistics (Partner Country: Philippines) UDG: Soybean Meal, Group 43 (2007)					
Annual Series: 2008 - 2011					
Reporting Country	Unit	Quantity			
		2008	2009	2010	2011
Reporting Total	T	1,458,247	1,424,645	1,554,252	1,613,140
Argentina	T	969,109	714,941	792,808	964,111
Brazil	T	0	0	0	205
China	T	208	4,409	25	13
India	T	92,161	51,198	61,526	24,705
Netherlands	T	73	0	0	0
South Korea	T	0	0	15	108
Taiwan	T	1,000	120	160	185
United States	T	395,696	653,977	699,718	623,813

Source: Global Trade Atlas/Exporter Statistics

Despite high global SBM prices, imports are expected to increase through 2012 as a result of continued strong local meat demand, coupled with meat-export opportunities as a result of the FMD-free status declaration by the OIE. Aggressive SBM buying is expected to be enhanced by the renewed strength of the Philippine Peso. According to data from the *Bangko Sentral ng Pilipinas*, the Peso closed at P43.89/US$ in end-December 2010 compared to P46.36 during the same period in 2009. It is currently in the vicinity of P43 to the US$ and is expected to strengthen further in 2012. SBM imports in 2012 are likely to surge as raisers capitalize on the FMD-free announcement and explore meat export opportunities in the region.

Stocks:

Philippine oilmeal inventories are held by the private sector. Copra meal stocks were raised in 2010 due to higher copra crush, but are expected to decrease through 2012 as a result of the expected decline in copra output and copra meal production.

SBM stocks, on the other hand are expected to strengthen through 2012 as local demand for animal feed is expected to increase in view of the growing population, the improving economy, as well as the opportunity to export meat. Local feed millers are likely to strengthen SBM stocks due to strong feed demand from raisers through 2012.

Policy:

Copra meal imports (HS Code 2306.50.00) are levied a 10 percent MFN import tariff but may be brought in duty-free under the CEPT scheme of the AFTA. Imports of SBM (HS Code 23.04), on the other hand, are levied a three (3) percent MFN rate and are also duty-free under the CEPT scheme.

To offset the negative impact of recent food price increases on the poor, the GPH, through the Department of Social Welfare and Development, implemented in 2011 a P21 billion ($477 million) conditional cash transfer (CCT) program similar to the programs implemented in some Latin American countries. In general terms, the transfer of cash to the poor require beneficiaries to make investments in areas such as education. Since 2008, under the previous Arroyo government, less than a million families received CCT incentives. The current Aquino Administration is aiming for 2.3 million beneficiaries/families and distributing cash to the poor is likely to increase their food purchases.

Production, Supply and Demand Data Statistics:

Meal, Copra Philippines	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	2,580	2,850	2,708	2,400	2,705	2,400
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning Stocks	255	255	9	85	117	78
Production	844	920	878	770	878	770
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	1,099	1,175	887	855	995	848

MY Exports	772	772	367	367	380	367
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	318	318	403	410	410	410
Total Dom. Cons.	318	318	403	410	410	410
Ending Stocks	9	85	117	78	205	71
Total Distribution	1,099	1,175	887	855	995	848
1000 MT, PERCENT						

Meal, Soybean Philippines	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	100	100	80	80	95	95
Extr. Rate, 999.9999	1	1	1	1	1	1
Beginning Stocks	94	94	89	87	202	88
Production	79	79	63	63	81	75
MY Imports	1,600	1,554	1,950	1,613	1,950	1,850
MY Imp. from U.S.	860	670	863	624	750	700
MY Imp. from EU	0	0	0	0	0	0
Total Supply	1,773	1,727	2,102	1,763	2,233	2,013
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	1,684	1,640	1,900	1,675	2,025	1,900
Total Dom. Cons.	1,684	1,640	1,900	1,675	2,025	1,900
Ending Stocks	89	87	202	88	208	113
Total Distribution	1,773	1,727	2,102	1,763	2,233	2,013
1000 MT, PERCENT						

Commodities:

Oil, Coconut

Oil, Soybean

Production:

CNO production in 2010 was raised consistent with upward revisions made to copra output and crush, but was pared down in 2011 due to reduced copra production. No dramatic change in CNO production is expected in 2012, reflecting the expected copra output in 2012.

Philippine SBO production is insignificant relative to overall Philippine vegetable oil production and is supported mainly by imported beans. SBO output in 2011 was reduced to reflect more realistic crush extraction rates and will likely decline from the previous year's level. SBO production will likely recover and increase in 2012 as prices stabilize and demand picks up.

Consumption:

Like copra prices, local CNO prices were very volatile in 2010. From P33.81 ($0.78) per kilo in January 2010, CNO prices more than doubled reaching P71.52 ($1.65) per kilo by December, according to industry reports. The average CNO price for 2010 was P48.37 ($1.12) per kilo. Prices continued to increase in 2011 peaking at P98.71 ($2.27) per kilo in February before settling at P69.29 ($1.60) per kilo by December. The average CNO price for 2011 was P78.25 ($1.80) per kilo, or 62 percent higher than the previous year's average price.

Trade sources attribute the increase in global edible oil prices to the surge in demand from India and China. The same source, according to press reports, also considers increasing fuel oil prices to be a factor as CNO is the preferred local biodiesel feedstock.

CNO is also the raw material for oleochemicals used in the manufacture of soaps, detergents, cosmetics, shampoos and other toiletries. CME is an oleochemical and is the local biodiesel feedstock used. The conversion of CNO to CME is roughly 1:1 and an estimated 140,000 MT of CNO is needed to satisfy the 2-percent mandated biodiesel blend (refer to OILS, Policy).

All segments of CNO domestic consumption (food, feed and industrial use) were pared down in 2011 due to high edible oil prices, but are still expected to increase from the previous year's levels. No significant change is expected in CNO demand in 2012 as supply tightens as a result of the decline in copra output.

SBO, on the other hand, is mainly used for mayonnaise and salad dressings, and the local industry does not consider it to be a complete CNO-substitute. SBO food use and industrial demand are expected to marginally decline in 2011 as a result of increasing commodity and fuel prices. Demand is expected to recover and increase in 2012 as prices stabilize.

Trade:

CNO exports for the period 2008-2010 follow. Exports in 2010 rose a dramatic 62 percent from the 2009 level, enhanced by increasing CNO prices. CNO exports to China almost quadrupled in 2010. The majority of CNO exports were shipped and delivered in the first half of 2010 according to industry.

Philippines Export Statistics Commodity: 1513, Coconut (Copra), Palm Kernel Or Babassu Oil And Their Fractions, Whether Or Not Refined, But Not Chemically Modified		
Annual Series: 2008 - 2010		
Partner Country	Unit	Quantity

		2008	2009	2010
World	T	850116	832944	1349336
Netherlands	T	287173	289777	579126
United States	T	356996	369371	452146
China	T	30714	27781	104236
Malaysia	T	23304	12759	52183
Japan	T	58146	47984	47012
Others	T	807775	824014	1018925

Source: Global Trade Atlas/Philippine Customs Statistics

On a market year basis (October to September), 2011 trade data from the GTA shows exports to be lower (897,000 MT). No significant change in CNO exports from the previous year are expected in 2012, reflecting flat copra production.

Following are SBO imports for 2008-2010 based on GTA data. The majority of imports in 2010 originated from Malaysia and Singapore. No significant change in SBO imports is expected through 2012 due to feeble demand as the Philippine economy slows down.

There were likely no SBO exports in 2010, and none expected through 2012.

Philippines Import Statistics **Commodity: Soybean Oil, Group 42 (2007)**				
Annual Series: 2008 - 2010				
		Quantity		
Partner Country	Unit	2008	2009	2010
World	T	2696	2191	8264
Malaysia	T	1261	732	7254
Singapore	T	393	637	368
United States	T	219	80	121
Others	T	823	742	521

Source: Global Trade Atlas/ Philippine Customs Statistics

Stocks:

Like Philippine oilseed and oilmeal stocks, CNO inventories are private sector held. CNO ending stocks increased in 2010 due to higher copra supply and increased crush, but are expected to decrease through 2012 due to the decline in copra production.

SBO stocks, also held by the private sector, were also expected to marginally decline in 2011 due to reduced production but increase slightly in 2012.

Policy:

The Philippine Biofuels Act of 2006 mandates local diesel fuel to have a one percent biodiesel content sourced from local agricultural products. From an initial 1 percent blend starting 2007, the mandate was doubled to 2 percent in early 2009. There have been no major issues in complying with the mandated biodiesel blends and there have been proposals to increase the blend to five (5) percent. While a final decision has not yet been reached, demand for CNO for biodiesel production has increased.

CNO imports (HS Code 15.13) are levied a 10 percent MFN import tariff but may be brought in duty-free under the CEPT scheme. Crude CNO (HS Code 1513 11.00), however is subject to a 3 percent CEPT tariff. Imports of SBO, (HS Code 15.07) on the other hand, are subject to a seven percent (7) MFN tariff but may be imported free of duty under the CEPT scheme.

Production, Supply and Demand Data Statistics:

Oil, Coconut Philippines	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	2,580	2,850	2,708	2,400	2,705	2,400
Extr. Rate, 999.9999	1	1	1	1	1	1
Beginning Stocks	399	399	32	152	50	107
Production	1,630	1,750	1,690	1,470	1,690	1,470
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	2,029	2,149	1,722	1,622	1,740	1,577
MY Exports	1,387	1,387	893	897	893	897
MY Exp. to EU	635	635	400	400	400	400

Industrial Dom. Cons.	330	330	448	335	445	335
Food Use Dom. Cons.	270	270	321	272	342	272
Feed Waste Dom. Cons.	10	10	10	11	10	11
Total Dom. Cons.	610	610	779	618	797	618
Ending Stocks	32	152	50	107	50	62
Total Distribution	2,029	2,149	1,722	1,622	1,740	1,577
1000 MT, PERCENT						

Oil, Soybean Philippines	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	100	100	80	80	95	105
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning Stocks	1	1	2	2	1	1
Production	18	18	18	14	20	18
MY Imports	8	8	20	8	20	8
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	27	27	40	24	41	27
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	5	5	5	4	5	5
Food Use Dom. Cons.	20	20	34	19	34	20
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	25	25	39	23	39	25
Ending Stocks	2	2	1	1	2	2
Total Distribution	27	27	40	24	41	27
1000 MT, PERCENT						